Alberta's weekly economic review

May 18, 2012

Consumer Price Index (CPI)

Alberta's inflation rate drops to the lowest in the country

Over the past three months, Alberta has moved from having the second highest inflation rate in the country to the lowest. The headline inflation rate was 0.8% in April, down from the 1.7% reading in March. The drop in the inflation rate was mainly due to falling electricity and natural gas prices. April is the first month since November 2010 that energy prices have decreased. Moreover, April's inflation rate was the lowest in eighteen months, and continues a trend of slower growth in consumer prices that started in October 2011.

Nationally, the headline inflation rate was 2.0%, up slightly from the 1.9% reading in March. The increase in the national inflation rate was mainly due to increases in transportation costs.

Resale Housing Market

Alberta resale market picks up

Aided by continued strength in the labour market and inter-provincial migration, resale home activity jumped to its highest level in two and half years in April. Sales of existing homes soared 2.8% to 5,282 last month, which equates to an impressive 20.0% gain over April 2011 levels. April's year-over-year increase marked the 12th consecutive month of gains, continuing a clear upward trend. With new listings edging down in April, sales-to-new listings ratio moved up to 0.60 from 0.58, hitting the threshold of what is considered a seller's market.

Along with the move into seller's territory, resale home prices jumped to the highest level in four years. The average resale home price was $362,474 in April, up a strong 0.8% over the month prior, but still only 1.3% above April 2011 levels. Nationally, the average resale home price was $368,550, up 0.6% over April 2011.

Labour Productivity

Alberta's labour productivity highest among the provinces, yet growth stays flat

Alberta labour productivity, measured by real output per hour worked, sits at the highest level among the provinces. However, productivity stayed relatively flat in 2011(+0.2%) following growth of 2.3% in 2010. In Canada, labour productivity advanced by 1.3% in 2011.

Manufacturing Shipments

Manufacturing continues to expand

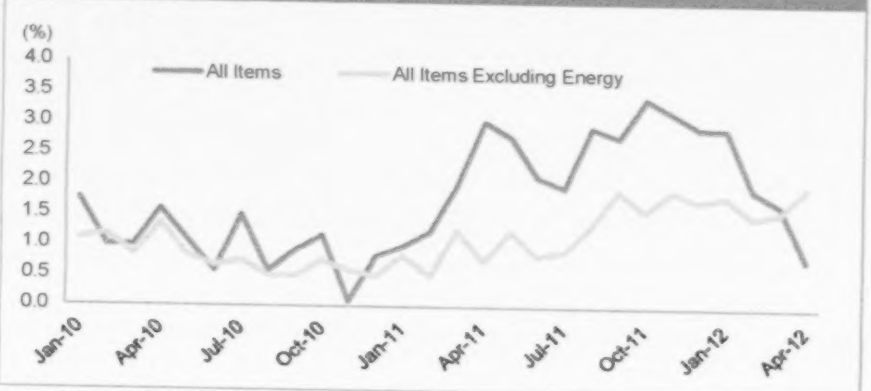
Alberta manufacturing shipments continued to grow in March. Shipments rose 0.5% to $6.4 billion in March, putting them 13.0% ahead of the same month last year. The year-over-year growth was broad-based, with 10 of 14 reporting industries posting gains. Nationally, following two consecutive monthly decreases, Canadian manufacturing shipments were up 1.9% to $49.7 billion, an increase of 5.9% over March 2011.

Building Construction Price Index

Alberta construction costs on the rise

In the first quarter of 2012, non-residential construction cost rose 4.5% in Calgary and 4.6% in Edmonton relative to the first quarter 2011. Growth in both city's construction cost indices has now accelerated for three straight quarters, leading Calgary and Edmonton to have the highest cost increases in the country. In Canada's seven metropolitan areas, non-residential construction increased 3.7% in the first quarter over last year.

Alberta CPI Inflation



Source: Statistics Canada

Closing Prices	May 10, 2012	May 17, 2012	2012–13 Fiscal YTD
Canadian Dollar ($US/$CAN)	99.83	98.39	100.51
WTI Oil ($US/bbl)	$97.08	$99.56	$101.16
NYMEX Natural Gas ($US/MMBtu)	$2.49	$2.59	$2.19

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population[2] (000's)	3,721	3,779	3,818			3,816			
% change	1.3	1.6	2.0			2			
Net Interprovincial Migration[2] (level)	2,183	13,600	9,146			6,000			
Net International Migration[2] (level)	21,583	14,000	13,877			6,250			
Net Non-permanent Residents[2] (level)	-77	7,388	2,400			166			
Labour Market									
Employment (000's)	2,017	2,094	2,134	2,132	2,150	2,136	2,139	2,152	2,161
% change	0.4	3.8	3.4	4.0	4.9	3.9	2.8	3.1	3.9
Unemployment Rate (%)	6.5	6.5	6.0	5.9	4.9	4.9	5.0	5.3	4.0
Participation Rate (%)	72.9	73.7	73.9	74.2	74.0	74.1	73.7	74.0	73.9
Average Weekly Earnings ($)	993	1,009.5	1,066.8	1,049.9	1,049.6	1,056.1	1057.57	--	--
% change	4.5	4.7	2.6	5.0	4.4	2.5	2.7	--	--
Price Indices									
NEW: Consumer Price Index	1.0	2.4	1.8	3.0	2.9	2.9	1.9	1.7	2.5
Excluding food and energy	0.8	0.8	1.5	1.5	1.2	1.4	1.0	1.5	2.1
NEW: Non-res. Building Const. Price Index[3]	0.1	3.4	4.5	--	4.0	--	--	4.5	--
Farm Product Price Index	-3.9	17.4	5.0	17.6	10.3	7.1	2.9	--	--
Crops	14.5	19.1	-2.8	4.5	1.2	-0.8	-4.7	--	--
Livestock	-5.7	17.2	10.4	19.4	12.6	15.0	10.0	--	--
Household Sector									
Housing Starts (SAAR, 000's)	26.9	26.5	30.7	30.1	29.5	35.9	32.1	35.5	37.2
% change	34.5	5.3	54.2	35.6	36.3	34.2	45.7	69.0	66.8
Housing Price Index[4]	0.5	0.4	0.5	0.4	0.5	0.7	0.2	0.8	--
Edmonton	0.8	0.9	0.7	1.1	1.2	1.3	0.1	0.6	--
Calgary	1.7	-0.1	0.4	-0.2	-0.1	0.1	0.4	0.6	--
NEW: MLS Average Resale Prices ($ 000's)	350.9	352.7	356.4	351.6	351.0	349.9	360.0	359.0	362.5
% change	3.1	0.5	0.6	0.3	0.7	2.7	1.9	3.5	4.3
Edmonton ($ 000's)	326.5	326.5	332.0	326.0	329.0	326.2	334.6	335.3	337.2
% change	2.3	0.7	2.9	0.9	1.3	0.1	4.3	2.8	3.2
Calgary ($ 000's)	397.4	401.9	401.2	399.7	402.4	398.9	410.5	407.8	407.6
% change	3.4	1.1	0.5	-0.2	1.7	-0.2	0.5	-2.4	-1.3
Retail Sales	6.0	7.0	10.0	8.5	7.9	11.0	9.1	--	--
NEW: New Motor Vehicle Sales	9.6	9.6	18.3	16.7	10.4	24.0	20.6	12.9	--
Consumer Bankruptcies (level)	8,150	7,029	--	577	486	--	--	--	--
% change	-18.4	-13.8	--	-12.5	-4.9	--	--	--	--
Business Sector									
Pipe Drilling (level)	207	285	335	430	838	401	459	336	141
% change	61.3	37.9	4.7	19.4	25.8	7.8	9.9	-7.5	14.4
Goods Exports (customs based)	12.4	18.3	14.5	20.5	15.9	16.7	17.1	11.7	--
Energy	17.2	19.2	15.4	31.4	16.7	16.6	17.5	13.2	--
Agriculture	14.4	21.4	23.9	31.1	30.5	27.4	19.4	25.9	--
Total Farm Cash Receipts (quarterly)	3.9	16.2	--	--	22.3	--	--	--	--
NEW: Manufacturing Shipments	11.0	18.0	14.6	25.2	16.3	14.9	16.0	13.0	--
NEW: Wholesale Trade	10.8	14.8	15.1	17.1	15.7	15.3	16.2	13.9	--
Building Permits	2.1	11.2	7.5	10.7	48.6	33.4	22.6	37.5	--
Residential	24.7	4.7	31.3	30.0	33.6	24.2	50.2	29.7	--
Non-residential	19.0	20.4	-14.6	-10.1	67.1	51.7	52.9	64.6	--
Business Bankruptcies (level)	378	264	--	19	15	--	--	--	--
% change	-6.7	-30.2	--	0.0	50.1	--	--	--	--

YTD (year- to- date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year- over- year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

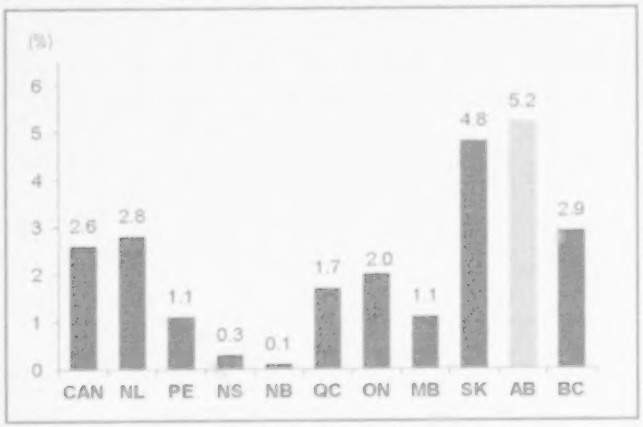
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

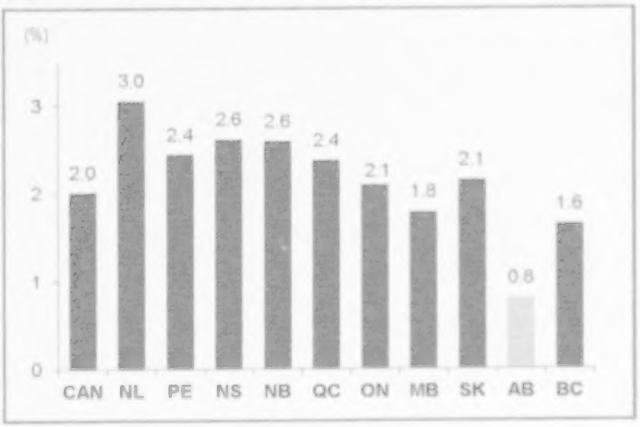
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Pipe Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

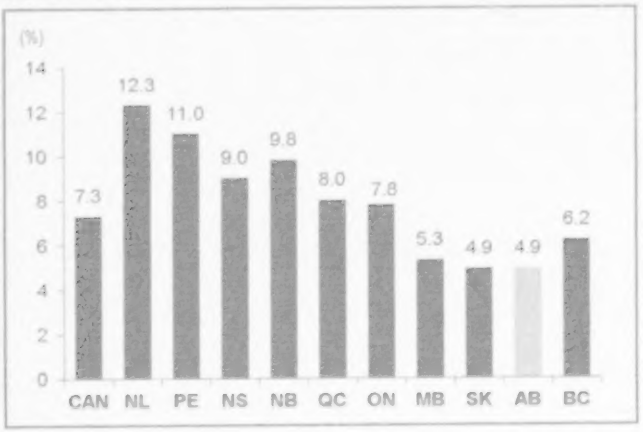
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



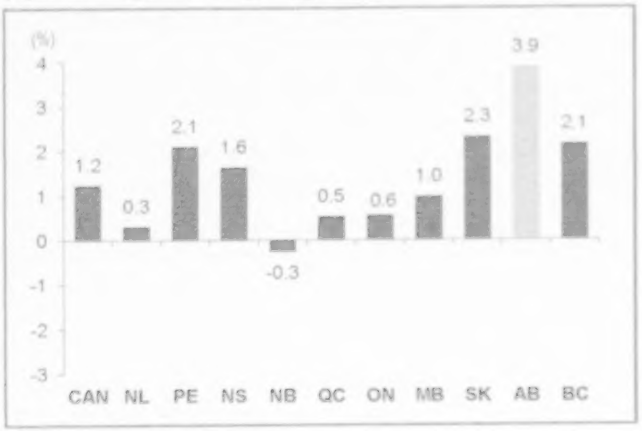
CPI Inflation
(April 2012, year-over-year growth)



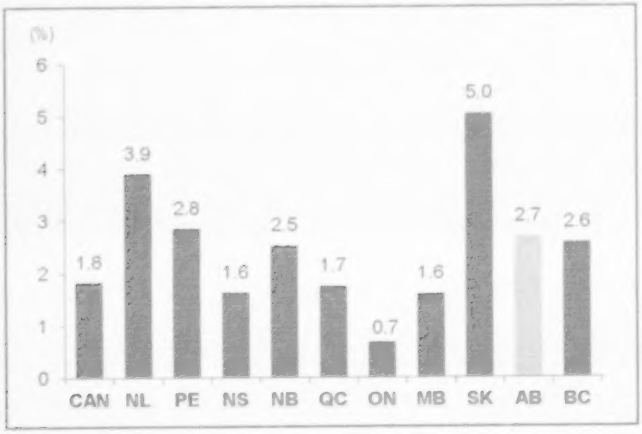
Unemployment Rate
(April 2012)



Employment
(April 2012, year-over-year growth)



Average Weekly earnings
(February 12, year-over-year growth)



Housing Starts
(April 2012, SAAR, year-over-year growth)